C2950-3
12/5/86

MARKETING & MEDIA
DECISIONS
DECEMBER 1986 • $3.00

THE 1986 MEDIA ALL STARS

**********5-DIGIT 20814
711 00161861 41 93
GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800
BETHESDA MD 20814
DIR

MARKETING & MEDIA DECISIONS

COVER STORY

THE 1986 MEDIA ALL STARS 33

This is not a popularity contest. It is recognition of nine individuals whose talent and skills most dramatically demonstrate what it takes to be an agency media professional today. These nine, plus eight others with particularly promising futures, were chosen from nominations submitted by the most important of judges — the clients themselves. Presenting, for the first time, *Marketing & Media Decisions* Media All Stars!

MEDIA DIRECTOR: MICHAEL D. MOORE 34

His walls at DMB&B are weighed down with awards, but his clients' words of praise are what win his cause. Star Watch: Steven Farella, Ammirati & Puris.

ASSOCIATE MEDIA DIRECTOR JOHN BELFIORE 43

Don't let his quiet demeanor fool you — when piecing together a media strategy, this man roars. Ask his BBDO clients. Star Watch: Mary Ann Cycyota, Leo Burnett, Chicago.

NETWORK NEGOTIATOR: ALICE GREENBERG 49

Clients love her; sellers aren't so sure. All agree that Ogilvy & Mather's Greenberg is a woman you want on your side of the negotiating table. Star Watch: John Dailey, Foote, Cone & Belding, Chicago.

LOCAL BROADCAST: BARBARA HUGHLEY 55

Says one client of Hughley, who heads up the Ogilvy & Mather's New York local broadcast operation: "I damn near worship her." Star Watch: Pat Spilker, Backer & Spielvogel.

PRINT: LORETTA VOLPE 61

Her authority takes her all over the media landscape for SSC&B's demanding clients. But print is where her heart lies. Star Watch: Steve Lanzano, Ogilvy & Mather.

RADIO: JOANNE TAUB 69

Taub supervises all of Grey's spot radio buying nationwide. Her secret? A finely-tuned ear. Star Watch: Jerry Riemer.

CABLE: SUZANNE SHAWN 76

Cable experts at agencies are few and far between, but Shawn demonstrates the advantages of Campbell-Ewald's decision to keep it a specialization.

OUT-OF-HOME: JOHN MILLER 79

It is Miller's mission to bring Y&R's clients outdoors. Already, he's doubled the number who use the medium, and to good effect. Star Watch: Kenneth Winkelman, DMB&B.

MEDIA RESEARCH: KEVIN KILLION 85

Killion of DDB Needham, Chicago, believes for every old problem, there's a new solution, thanks in part to computers. Star Watch: Alice Sylvester, JWT, Chicago.

BRAND REPORT 138: WOMEN'S FRAGRANCES 111

As their market shrinks, fragrance marketers are finding there is one weapon that works to achieve the smell of success: advertising dollars. Still, the pressure is on to reverse grave, long-term problems.

DEPARTMENTS

DEBUT 4

Romance of a sort must be in the air as six new magazines on everything from newlyweds to babies spring forth.

FREEZE FRAME 8

Despite the controversy — or maybe because of it — advertisers are standing in line to reserve space for colorized old movies.

PRINT BEAT 17

Architectural Digest initiates a seasonal discount plan that promises to stir up a bit of debate.

DIRECT MARKETING 22

Brokers, bankers and insurers might understand numbers, but when it comes to analyzing direct mail, the best route is an expert.

CREATIVE CONCEPTS 24

The Newspaper Advertising Bureau anoints the work of 17 advertising agencies in the annual judging of the most creative newspaper ads.

UPDATE 26

Miller Brewery creates a new post to oversee media functions. Haagen-Dazs keeps kicking despite new competition, and newspaper publishers get an exemption from a rule prohibiting the promotion of coupon values.

BOOKS, ETC. 132

Two colas, two books, two views on what went wrong when Coca-Cola changed its classic formula.

BROADCAST BEAT 135

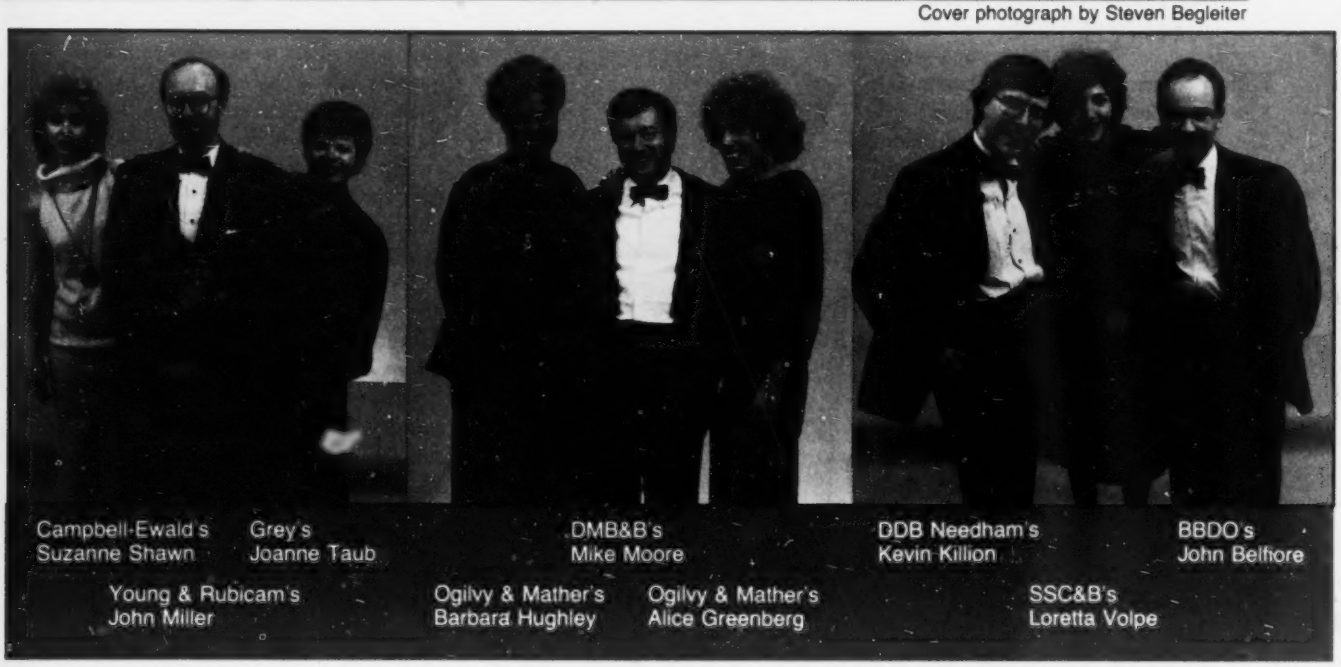
According to BBDO, black viewers will play an increasingly important role in determining programing.

ON THE DOCKET 138

There is karma in CARMA, a computerized system that, by analyzing press coverage, can provide an early warning system to what issues are top of mind.

December 1986, Vol. 21, No. 13

Cover photograph by Steven Begleiter



ECONOMIC EYE 142

If you've been missing the Media Cost Index, never fear. It's back this month with data from all the missed issues.

SALES PROMOTION 144

The rumor mill has been put to rest for awhile in the business of free-standing inserts.

TOOLS OF THE TRADE 146

A researcher's will to toy with the numbers has resulted in a formula to help make radio and tv buying more efficient. The system combines data from several research houses.

LAST WORD 152

This month, the words come from the many revealing comments we collected in the process of selecting the winning Media All Stars.

AS THEY SEE IT

MEDIOLOGY *Henry Hayes* 91

In a break with tradition, *Decisions* goes in-house for advice. Pepsi's director of media takes the view that agency people should work more closely with the client to come up with one — and only one — media plan.

RADIO *Dennis McGuire* 94

Unwired radio rep firms are smiled upon as time-savers for buying multiple markets. But these mega-reps also are frowned upon because of the potential for pricing abuse.

MAGAZINES *John Ryan* 98

Dwindling advertising revenues and diverted readerships have hurt magazines, but the medium is coming back.

RESEARCH *Debbie Solomon* 100

Reader-panel data may not be nationally projectable, but the numbers can still be valuable.

TELEVISION *Jeanette Gatto* 104

Yes, you can sell diamonds over the airwaves if you use VALS and PRIZM data to help select the proper programs for the target audience.

NEWSPAPERS *Margaret Rosser* 108

There were a lot a doubts, but *USA Today* is proving to be a winner.

MARKETING & MEDIA DECISIONS (ISSN0195-4296) December 1986, Vol. 21, No. 13 Copyright © 1986. Decisions Publications Inc. Published 13 times a year; 12 monthly issues plus a special issue published the second week of March. Executive, editorial, circulation and advertising offices at 1140 Ave. of Americas, New York, N.Y. 10036 (212) 391-2155. Available without charge to those personally involved in media decisions at major agencies and advertiser companies. For others, subscription prices are: U.S.A. $45 for 13 issues. Canada $60. Overseas $70 (surface mail). Airmail — add $70. Single copy $3.00. All overseas copies are paid. Second-class postage paid at New York, New York and additional mailing offices. Postmaster: Send address changes to Marketing & Media Decisions, 1140 Avenue of Americas, New York, N.Y. 10036.

MAGAZINES

by John Ryan

Senior vice president, media director, Rumrill-Hoyt, Inc.

WHITHER MAGAZINES?

Whither magazines? Or, in plain English, what's the status and future direction of the magazine business? As a partial response to this question, I offer the following observations.

Currently, it's fairly common to discuss the "deep troubles" of the magazine industry. Various factors are cited as contributing to the ill health of magazines. These include:

- Drastic advertising reductions by industries which have traditionally been major spenders in magazines.
- Overall reductions in reading by Americans and the rise in illiteracy among adults.
- Increased "video orientation" among the population. That is, increased use of television, computers, VCR's, etc., in place of magazines.

Many people swallow the above statements whole, but to get a better idea of what is *really* going on, I'd like to discuss each of the preceding points in a little more detail.

Reductions in advertising: It's true that magazines have faced significant losses in advertising revenue from categories such as tobacco, computers and corporate/business-to-business. In addition, advertisers in many other categories have slowed spending in response to a sluggish economy.

However, it appears now that magazines are rebounding. In the first six months of 1986, advertising revenues are up versus 1985 for almost all magazine categories, and, on an overall basis, the increase is about double the inflation rate.

Magazine Category	Advertising Expenditures % Change 1986 vs 1985 (January-June)
Business	−3.3%
Fashion & Service	+12.0
Home	+8.1
Mechanics & Science	−9.2
General Interest	+4.8
Outdoor & Sports	+6.6
Weekly & Bi-Weekly	+5.0
Women's	+6.1
Youth	+5.3
Total	+4.7%
Inflation (Consumer Price Index)	+2.4%

Source: Publishers Information Bureau (PIB)

The business and mechanics-and-science categories are still down, partly because these two were hit quite hard by cutbacks in business-to-business and computer advertising. With the finalization of the new tax law, corporations are more certain about the future and as a result, we should see increases in business-to-business advertising.

In addition, many magazines are increasing revenues by attracting advertisers who have not used their type of publication in the past such as the appearance of packaged goods and foods in the newsweeklies.

Reduced reading and high illiteracy: Many decry the lack of reading by Americans and point to a high number of illiterate adults.

Estimates of illiteracy in the United States vary. Jonathan Kozol, in his book *Illiterate America*, says that 60 million adults, or one-third of the adult population, are illiterate. On the other hand, the Census Bureau says, based on a 1982 test, that 17 million to 21 million adult Americans, or approximately 13%, are illiterate. Widely varying estimates but, either way, these numbers are scary.

But once you dig a little deeper into these numbers, you find that they really are "guesstimates" and, in fact, guesstimates on the high side.

Furthermore, the truth is that more Americans read magazines today than at any time in the nation's history. The average American reads three magazines and four trade journals each week, along with newspapers and books.

Another indication of increased magazine readership is the fact that, over the years, the average circulation of magazines has increased at a higher rate than the population.

	Magazine Circulation Increase vs. Population (1954 = Index 100)	
	1954	1985
Per-issue Circulation of Magazines	100	161
Adult Population	100	161

Source: Magazine Publishers Association (MPA)

Video orientation of Americans: It has been said that we have become a completely video-oriented culture. Our increased use of tv, computers and VCR's supposedly does not allow us the time to read magazines.

This is just not true. Rather, the owners of sophisticated video equipment tend to be the *heaviest* readers of magazines. This is true for computer owners as shown below:

Magazines	Index of Readership Adult Computer Owners With: Video Game Tapes (Index)	Video Game Unit (Index)
Heaviest Readers	140	124
Next	117	119
Next	105	101
Next	83	90
Lightest Readers	55	66
Total	100	100

How to Read: Adult computer-owners with video-game tapes are 40% more likely than the national average to be the heaviest magazine readers.

Source: Mediamark Research Inc. (MRI)

On a similar note, we find that VCR users are also the heaviest magazine readers:

Magazines	Index of Readership Adult VCR Owners (Index)
Heaviest Readers	114
[illegible]	[illegible]
Next	99
[illegible]	[illegible]
Lightest Readers	76
[illegible]	[illegible]

Source: MRI

Many people also feel that the future success for magazines lies in their ability to take on the look and feel of video. For example, this appears to be one of the things Bob Guccione tried to do with *Newlook* magazine. I disagree with this philosophy. Magazines should not try to look like television programs or music videos. It's true that people go to magazines for entertainment as well as information, but it is entertainment of a different kind than that received from electronic video. Magazine reading is a more personal endeavor, with the reader absorbing the articles and pictures at his own pace, mentally adapting what he sees and reads to his own life. The reader should not be forced to read a magazine the way he watches a music video. If he wanted television, he'd be watching it, not reading a magazine.

So, where are magazines heading? Well, they have had a rough time lately. But they are coming back stronger than ever and much credit has to be given to the magazine editors and publishers. Americans are reading magazines more and more, and, in the electronic video age, magazines will continue to provide those unique benefits which other forms of media cannot. ■

Magazines are coming back stronger than ever.

RESEARCH

by Debbie Solomon

Associate media research director, J. Walter Thompson USA, Chicago

READER PANELS: AN UNSUNG OPPORTUNITY

What do consumers think of my new flavor idea? How often is my product used? Who in a household uses my product and how do they use it? What kinds of services do consumers want from my company?

These questions and others can be answered, often for free, by a common research tool that very few people are familiar with — the reader panel. A reader panel can be a group of random subscribers or readers, or a particular target audience of subscribers or readers who are sent periodic questionnaires about a topic or topics. The purpose of a reader panel is to provide insights about current market trends and to pinpoint consumer wants and needs for advertisers and editors.

Most magazines that have reader panels offer this opportunity to any advertiser *at no charge*. However, some ask advertisers who use the panel to help defray some of its expenses. For example, *Mademoiselle* charges for printing and mailing costs and *Seventeen* and *Woman's Day* charge a small fee if panel results are to be kept confidential.

Each magazine has its own method of conducting reader panels. As a result, sample size, number of questions, number of panels conducted yearly and turnover of panel members vary. Most reader panel surveys are conducted through the mail, although telephone interviews, personal interviews and focus groups are sometimes offered. The only caution about this type of research is that it is not based on a randomly-selected national sample. Consequently, it should not be used to gather nationally-projectible data.

The number of subjects covered in each survey varies from magazine to magazine. Some surveys focus on a single topic (e.g. *Cosmopolitan*'s skin care survey, *Better Homes and Gardens*'s home remodeling survey), while others cover a number of topics. Advertisers generally supply five to ten (usually close-ended) questions, with anywhere from 25 to 50 questions included on a typical questionnaire.

How do you find out who offers reader panels? Right now you have to call each magazine and ask. SRDS has a category, number 17, in the consumer magazine volume for special services. Although currently rarely used, this category could be a good place to list the availability of reader panels as well as other research offerings, such as subscriber studies. Alternately, SRDS could add a category, "research available."

As mentioned above, each panel is operated differently. Below are details:

- *Better Homes and Gardens*: Panel is made up of subscribers. Questionnaires are sent to groups of 500 to 1,000 subscribers and surveys are conducted five times annually.
- *Cosmopolitan*: Panel consists of readers who are solicited through an ad in the magazine. Each questionnaire is sent to 1,000 panelists and three to four surveys are planned annually.
- *Good Housekeeping*: Panel is made up of subscribers. In addition, *Good Housekeeping* will sometimes use a sample of women who are "regular or occasional readers of women's service books." Both the sample size for each survey and the number conducted yearly vary depending on demand.
- *Mademoiselle*: Panel consists of readers who are career women and is called the Mademoiselle Career Marketing Board. At least six times during a year, *Mademoiselle* sends questionnaires to 1,000 of these women. Smaller groups are also available for

BRAND REPORT

No. 138: Scents and Fragrances

DOLLARS & SCENTS

by Phyllis Fine

Is the bloom off the women's fragrance market? Smelling less sweet all the time, it has become obsessed of late with such problems as flat sales, consumer price sensitivity, the waning profitability of giveaway promotions and the challenge of copycat fragrances.

With a few notable exceptions, less-than-stellar sales gains have been a fact of life for women's fragrances in general over the last few years. Marketing consultant William Fitzgerald, who measures the category in terms of "straight juice" (the liquid versions of scent) only, notes figures of $2.05 billion for 1985, a tiny movement upwards from his 1981 figure ($2.03

Fragrances Media Expenditures for 1985 (000)

Brand	Total	Mags	Net TV	Spot TV	Sunday Mags*	Cable TV
Chanel No. 5	899.6	807.5	–	–	92.1	–
Charlie	3,208.8	822.5	1,641.3	658.3	–	86.7
Giorgio	1,231.1	1,231.1	–	–	–	–
L'air du Temps	1,402.1	1,066.8	–	335.3	–	–
Lauren	2,168.6	401.9	–	1,705.3	61.4	–
Obsession	5,921.8	1,866.9	–	4,054.9	–	–
Opium	718.3	154.7	–	563.6	–	–
Oscar de la Renta	1,361.9	396.7	–	965.2	–	–
Vanderbilt	6,376.7	689.4	4,273.2	1,182.7	–	231.4
White Linen	4,667.4	1,446.8	–	3,097.8	122.8	–

Source: Leading National Advertisers

*Most regular newspaper advertising for these brands was done in a co-op arrangement with a retailer, and thus was not tracked in Media Records.

JENNY ADAMS

billion). A bit more improvement was apparent in the figures given by cosmetics trade magazine *Product Marketing*, which tracks "juice" plus ancillary items such as bath and body products: $2.99 billion for 1985, up from $2.12 billion for 1981.

While there may be increases in revenue, women are actually buying less fragrances than ever before, according to Fitzgerald. He notes that unit sales plummeted 29% from 1981 (211 million in 1981 versus 148 million in 1985). Since his calculations show an average price increase of 44% for the five-year period, any additions in sales dollars can be attributed to higher price tags and not increased consumer traffic.

Yet exceptions to sluggish sales — industry phenomenon Giorgio, responsible for most revenue gains in the past few years; Calvin Klein's successful launch of Obsession; controversial Giorgio knockoff, Primo — have kept consumers intrigued by developments in the category. "You don't get success stories on the magnitude of Giorgio and Obsession in a slow industry," claims independent industry consultant Allan Mottus.

Buyers also note a flurry of consumer activity spurred by recent launches by major companies, such as Estee Lauder's Beautiful, Chanel's Coco and Dior's Poison. But newcomers' sales seems to be cannibalizing the rest of the category, especially the traditional volume leaders, according to Jim Olivarri, cosmetics divisional merchandise manager for department store chain Foley's.

Consumer price sensitivity is one important factor eroding the market share of traditional brands. Notes Don Davis, editor, *Drug and Cosmetics Industry*, "With prices out of the range of the average consumer, she may buy only one fragrance for the year, which blows up the importance of the few top fragrances."

When a few brands own what is essentially a mature market, it makes for a very tough, competitive climate. Aggressive marketing moves taken by some companies include experimenting with new forms of scent, such as Chanel's Eau de Parfum, a lighter version of perfume, and Charlie's Charlie-Go-Lightly and Charlie Naturals, different plays on the basic scent theme. Both Calvin Klein and Parfums Stern, which markets Oscar de la Renta, have been in the forefront of heavy promotion and advertising of bath and body lines which, according to Foley's Olivarri, are a useful extension of the layering concept which pushes multiple product use for long-lasting scent power.

Chanel takes a cue from Obsession with this body-conscious ad.

One marketing technique which fragrance companies are rethinking is the promotional giveaway. Known as purchase-with-purchase (P-W-P) and gift-with-purchase (G-W-P), this industry tradition has become gift-with-headache as costs mount for giveaway items and consumers wait for special offers before they make a purchase. Yet, as is evident in the following marketing profiles, few companies have actively begun to curtail this activity.

Fragrance sellers face a number of challenges in marketing their products, including price sensitivity and knock-off scents.

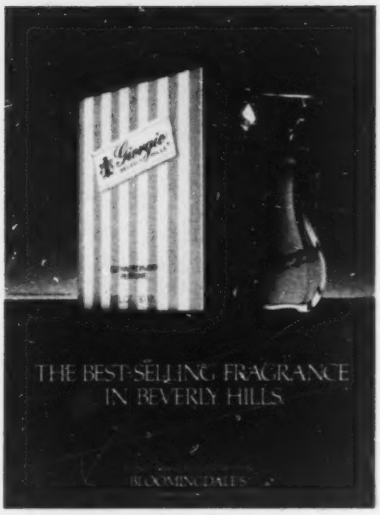
An aggressive and original ad campaign might be seen as another formidable weapon in the accelerating fragrance wars, yet until last year ad creative did not seem a high priority for fragrance marketers. "Print ads are for hunger," says Miriam Sakol, creative consultant to the cosmetics industry. "Everybody in the business says that they're selling an emotion, but in fact they have no idea how to do that."

That is, until Obsession came along with a name that actually conjured up an emotion and a sexy, moody ad campaign. Perhaps in response to Obsession's success, marketers of several "top ten" brands profiled have recently refocused their ad campaigns.

Fragrance advertising tends to be highly seasonal, with most activity prior to Christmas and Mother's Day. Last year, fragrance marketers spent a little over $116 million on advertising, with the biggest slice of ad dollars (about $61 million) going to combined spot and network tv, according to the Multi Media Report Service from Leading National Advertisers/Broadcast Advertisers Report Inc.

One other common denominator for fragrance advertising is print placement; as might be expected, the core books are the standard fashion/beauty magazines. Less expected is the name of the magazine which has dominated the top spot in ad dollar revenue for the past few years — *Cosmopolitan*, usually perceived as more a lifestyle than a fashion magazine.

The recent success of copycat fragrances adds to the element of aggression in an already hyper-competitive business. Certainly, the ads for best-seller Primo, by Parfums de Coeur, were anything but demure, trumpeting the comparative prices of Primo and Giorgio. Yet because of Primo's price ($7.50 for an ounce of cologne), de Coeur president Mark Laracy claims that he's not really competing head-to-head with Giorgio, which goes for $150 an ounce of perfume, $45 for three ounces of cologne. Instead, says Laracy, he's "doing a number on the middle-priced fragrances." Responding to criticism that it's sleazy to trade off the names and formulae created by other companies, he notes that "the



Giorgio's ads play on the mystique of Beverly Hills.

total history of the fragrance business has been one of imitation. Lauren became Scoundrel; Mrs. Lauder claimed that Opium was 'Youth Dew with a tassel.' I'm just less hypocritical about it," claims Laracy.

Others don't see it quite that way. When a new fragrance "influenced" by another comes to market, it still has to create an independent brand identity — a task which knockoffs don't have to perform. So the arguments, and industry controversy, continue while Laracy racks up $50 million in 1985 sales from his total knockoff line and predicts that he'll double that in 1986.

The criterion for our fragrance "top ten" list was retail dollar volume. The following brands were first suggested by Rayda Vega, a perfumer at fragrance supplier de Laire, whose marketing savvy includes 15 years in the business. The list was then rechecked against several other sources, among them a market research company that does track sales figures, though on a proprietary basis, and the summer 1986 version of Goldman Sachs' fragrance and cosmetic buyer survey (both the department store and the chain and independent drug store editions). The order in which the brands are listed does not suggest any particular rank on the list. All of our sources agreed that any ranking would be highly speculative at best, although it's clear that Giorgio is number one and Oscar, Obsession and Vanderbilt also hold key positions.

This ranking is based on total sales, resulting in a mix of brands at different price points. The tremendous number of products in the women's fragrance category causes individual sales by brand to pale in comparison with the industry total of $2.045 billion last year. The number-one brand, Giorgio, only accounts for about $75 million in 1985 sales.

GIORGIO

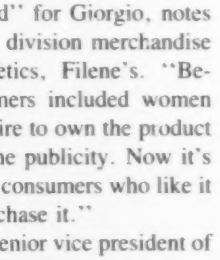
Giorgio, the unquestioned number-one seller, is also an industry phenomenon, racking up top sales since its launch in 1982 and pioneering two new marketing techniques — the use of direct mail and scented inserts.

The word this year on Giorgio is that sales haven't exactly peaked, but, for the first time, are leveling off. "It's a settling in period" for Giorgio, notes Leonard Ichton, division merchandise manager, cosmetics, Filene's. "Before, the customers included women who had the desire to own the product because of all the publicity. Now it's settling down to consumers who like it enough to repurchase it."

John Funck, senior vice president of marketing for Giorgio Parfum, concedes that sales have perhaps leveled off a bit, but responds, "To continue to grow beyond [the brand's previous sales], everyone else would have to close down."

Mindful of the competitive state of the fragrance business (which is also frequently criticized as a me-too industry), Funck would not discuss any of the company's upcoming marketing or media plans, saying only that "an innovative change" was coming. "For anyone to keep a healthy, exploding business alive, you have to change plans as it fits the need."

Giorgio turned the market on its ear with the use of two new marketing ploys in the field: direct mail and scented inserts.



The 1985 Charlie girl. A new campaign is pending.

Previously, Giorgio's advertising, created by Eisaman, Johns & Laws, focused on print in national women's magazines (see "American Women Say 'Yes' to Giorgio," *M&MD* Spring Special 1985, pg. 93). LNA reported 1985 spending for the brand at about $1.2 million. Advertising was done on "a year-round basis, with added backing prior to Christmas," according to Funck. The company which ushered in the era of scented inserts, appears to be cutting back somewhat on use of this technique, at least if you "compare it to our launch position," notes Funck.

Giorgio, the fragrance hardest hit by the copycat craze, is "not happy" with the phenomenon, but also "not concerned. Their specific consumer base is not ours," concludes Funck.

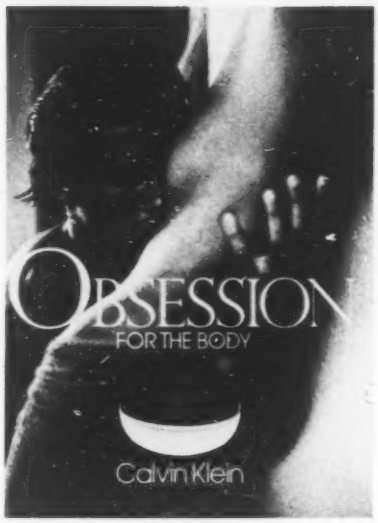
CHARLIE

Charlie, the first "lifestyle" fragrance with its landmark campaign showing the liberated woman taking a step into the future, was an industry winner for years. But then the brand fell into trouble. Susan Babinsky, senior consultant for market research firm C.H. Kline, postulates that the "positioning worked for that point in time [the brand was launched in 1973]; now, it doesn't have the same impact." Despite such reasoning, the brand still commands an impressive share of the

women's fragrance market. "Charlie's slipping, but it's still in the low $30 millions in sales," according to Allan Mottus.

"In 1983," concedes Mark Goldstein, vice president of marketing worldwide for Revlon's fragrance and skin care divisions, "Charlie was at its all-time low point. But it's come a long way back to where it should be." According to Goldstein, that means a commanding lead in unit sales and a 6% share of the mass fragrance market. This is particularly impressive, Goldstein claims, because the mass market is so segmented and the next largest brands hold perhaps a 2% or 3% share.

Charlie advertising went through several shifts in the 13-year history of the brand. One campaign, hailed as a major departure, had the independent Charlie woman actually interacting with a man. The new Charlie campaign, created by Hill, Holliday, Connors, Cosmopulos (a recent agency switch for the brand from Scali, McCabe, Sloves), "attempts to show who the Charlie woman is in 1986," says Goldstein. In fact, that topic is the theme of the commercial, which features a man and a woman discussing "who's Charlie, and who's not, and pointing to various examples."



Obsession's ads give new meaning to the term "positioning."

The new campaign debuted in the fall on network tv in the top 20 U.S. markets. Scheduling of the commercial has a "prime time focus," with selected highly-rated daytime tv shows on the lineup as well. The print campaign will break in December issues of *Vogue, Glamour, Cosmopolitan, Mademoiselle, Harper's Bazaar, Self* and *Working Woman*. Goldstein calls Charlie a high-frequency, and high-spending, advertiser. He considers the 1985 LNA figure of $3.2 million very low: "We spend at least twice that," he says. Advertising continues throughout the year, with only 30% to 40% at Christmas. "Because of the positioning of Charlie, there's a high percentage of self-purchase."

The Charlie line was recently repackaged and given an updated logo, spelling out the Charlie name in different handwriting than the original. And like a record company recording many versions of its greatest hits, Revlon has developed new twists on the original formulation. Charlie-Go-Lightly, a line of items scented with a lighter, more citrusy version of the parent scent and priced under $8 each, was designed to address retailer concerns about "slow product turnover, with a line created to promote lavish usage and multiple turnover," says Goldstein. Charlie Naturals, a spinoff of the Charlie formula into three different elements — Charlie Rare Musk, Forest Herbal and Fresh Flowers — was characterized by Goldstein as "modestly successful."

OBSESSION

Premium-priced Obsession ($160 for an ounce of perfume) made a big splash in its 1985 launch year, garnering sales of $30 million. In 1986, department and specialty store buyers in a Goldman Sachs' survey mentioned its top-selling status more often than they named Giorgio, the first time Giorgio had been toppled off any industry pedestal.

Obsession's moody blue print ads, and definitely different commercials (unrequited lovers bemoaning their obsession; in some markets, either a woman or a young boy was daringly paired with a woman) generated a lot of free publicity and a high awareness level for the brand. A fairly heavy blitz of scented inserts prior to the launch got consumers familiar with the scent itself.

There's a lot to be said for being over 50. Just wait a few years and you'll see.

58% of our readers are under 65.
45% have attended/graduated college.
and average income is $33,800.

50 plus

850 THIRD AVE. • NEW YORK, NY 10022 (212) 715-2781

Opium's current print campaign will be revamped shortly.

The other landmark of the campaign, created in-house at Calvin Klein: It was the first time a fragrance company dared to mention the word "smell" in its advertising. The television commercial ends with the line, "Ah, the smell of it!"

In 1986, the company launched Obsession for the Body, a group of scented body products, with an even more outrageous print campaign — a man kissing a woman's nude torso. This was reportedly the first time a body line was treated as a separate launch, with its own national ad campaign, according to Susan Hays, president of consulting firm Hazon Concepts.

LNA quotes a figure of about $5 million for 1985 spending, but one Calvin Klein source notes that the company spent $17 million in its launch year, a figure which probably adds in promotional as well as straight advertising expenditures. According to the spokesperson, in print the company uses the major beauty/fashion magazines — *Harper's Bazaar, Glamour, Mademoiselle* and *Vogue*, as well as such dual-audience books as *Details, European Travel and Life, New York, Playbill* and *Vanity Fair*. In tv, scheduling demands mean "nothing before prime access, with some late news and late fringe; no game shows or sitcoms." The company doesn't do any co-op print, but all of its tv commercials are co-op, with a retail tag on the end. And the company does the standard P-W-P and G-W-P promotions.

OSCAR DE LA RENTA

One of the original breed of designer fragrances, Oscar de la Renta, reportedly held the number-one spot for a long time before Giorgio came on the scene. Now, Oscar has a new ad campaign due for Christmas which is a "departure from its older advertising," according to Bob Brady, senior vice president/general manager for Parfums Stern, which markets the brand.

Both the print and commercial creative, "an attempt to reinforce our romantic image," focus on a couple in a gondola in Venice. "It's a change for us because for years, Oscar, the designer himself, was the theme. We used to run a picture of him in all of our ads. He's still in the commercial, but he's there briefly, as an observer of the couple. We wanted to explore the idea of couples and romance as opposed to the designer theme." The campaign was created by Lord, Geller, Federico, Einstein.

The company does less national advertising than its competitors, which Brady feels is "reflective of our distribution — 1,400 doors, less than many other brands. We run a fairly substantial co-op tv campaign preponderantly during Christmas." Print advertising is heavy in women's fashion and regional books.

As for other marketing ploys, Brady says, Oscar has been known traditionally as a brand with a lot of emphasis on point of sale, which means creating a strong rapport with salespeople and developing in-store promotions such as a Cafe Oscar, "where we serve coffee

Oscar will debut a new campaign, though they spend less on national ads than their competitors.

Oscar's new campaign makes less of the designer.

with cream and a spritz of Oscar on top." In the past, the company had always avoided getting into promotional giveaways, but then, "in recognition of the change in the competitive cosmetics arena," Parfums Stern took its first tentative step into the realm of gift-with-purchase for the brand and, reports Brady, found the results pleasing — a 30% gain in new customers. But the products in the promotion, he stresses, are always sample sizes, not "saleable merchandise." Giving full sizes away, he comments, is "the fastest way to denigrate your brand."

OPIUM

The grand tradition of "shocking" names in the fragrance business probably began with Schiaparelli's Shocking, continued through My Sin and culminated with Dior's Poison and International Parfums' Decadence. Another stop along the way was Opium by designer Yves Saint Laurent, which, by virtue of its name, created some of the same kind of controversy in its 1977 launch as the 1985-86 Obsession furor. "Whether the controversy was by design or accident, I don't know — but it worked," observes Loretta Garcia, vice president/marketing, Yves Saint Laurent fragrances and cosmetics at Charles of the Ritz.

Although Opium was a designer brand, its positioning always reflected its name as an exotic, mysterious Oriental fragrance, according to Garcia. The new tv campaign communicates the same message, she says, but in

more modern terms. In creating the commercial, says Garcia, "We wondered, what kind of fantasies do women have today?" The answer comes in the scenario: A woman wearing a business suit (the first departure from the previous commercials, where women always wore evening gowns) walks through an exotic bazaar and into a temple, where there's a man obviously showing her some merchandise. There's no dialogue; the situation is spelled out quickly through eye contact instead. But what is the merchandise — jewelry, art works, what? When she finally makes her choice, we see what she's been selecting — a man! Garcia describes the ads as "controversial" and modern. "In the past, Opium ads showed the woman in control, but the man was always coming to her, initiating the union. Here, she's the one initiating the action."

The company, along with ad agency Rosenfeld, Sirowitz & Humphrey, is currently developing a print ad with the same feeling as the commercial. The core of Opium's print campaign is *Vogue* and *Harper's Bazaar*, but, says

The "crisper, more contemporary" look of White Linen's print ads.

Garcia, "we plan to use regional magazines more where we can find good publications that fit our criteria." She adds, "Since our agency has done careful research on different markets, we've experimented with a different media mix for different areas of the country. If we have a market that responds especially well to tv or print, we'll concentrate on that."

The way Ritz strategists handle the promotion dilemma right now is to do straight purchase promotions — a package of different product forms which sell for a standard price. A G-W-P promotion was tried on a limited basis, but the company would like to avoid that ploy, since, says Garcia, "it destroys regular business."

WHITE LINEN

Estee Lauder gets into the lineup with White Linen, a scent which was originally begun under the umbrella of "The New Romantics" line of three fragrances meant to be layered together. White Linen quickly took off by itself as the star of the line, and the company decided to go with the winner and eventually dropped the other two fragrances.

Because of its name, a lot of people thought of it as a summer fragrance, a position that the company is trying to dispel, according to Bob Barnes, president of Estee Lauder U.S.A. In order to reinforce the year-round nature of

Net More Sales
With more than 1.8 million residents, the St. Petersburg-Tampa-Clearwater metro area is Florida's population leader. These residents lead the state in effective buying income with $21 billion in purchasing power. Suncoast advertisers are reaping the benefits — retail sales have grown 32 percent in just five years, reaching $11.3 billion last year.
For a detailed look at this expanding, lucrative market, call your St. Petersburg Times sales representative and ask for "Suncoast '87." This comprehensive market guide will give you all the facts you'll need to net record sales in the Suncoast.
St. Petersburg Times
St. Petersburg Times
Marriott, Graham win

No business publication gives today's decision makers articles that delve deeper into business management thought, theory, and practice than HBR. Another reason why top executives . . .

REACH FOR THE REVIEW.

Harvard Business Review

New York (212) 972-0740
Boston (617) 495-6182

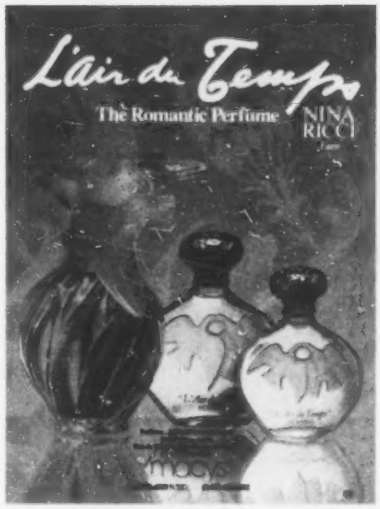
White Linen, Lauder is careful to advertise 12 months a year, notes Barnes.

New print and tv commercials from agency AC&R are now updating the brand's positioning. "In the past, the fragrance was always pitched as romantic," notes June Leaman, senior vice president of creative marketing, Estee Lauder, Inc. Typically, ads would show a model "wearing a soft, pretty, white linen dress, on the veranda of a Southern plantation." The current print campaign still features a woman wearing white linen, but relaxed white linen pants, a matching coat and shirt. "This is a crisper, more contemporary look, not quite as dreamy and nostalgic."

The new commercial, which Leaman characterizes as "zippier, with a more stepped-up tempo and a younger appeal," features six tongue-in-cheek vignettes illustrating a catch phrase that begins with the word white. There's White House, showing a woman campaigning for office; white lie, where a woman wearing a white trenchcoat emerges from the shadows alongside a white automobile; and white wine, white collar, white hunter, whitecap. These lead to the last, White Linen, showing a woman in a white evening dress and the tag line, "You know how to wear it." The commercial will appear in spot markets in conjunction with a retail tag.

L'AIR DU TEMPS

L'air du Temps is an almost-forty-year-old classic fragrance with a romantic image and a low profile. But according to Barbara Kotlikoff, senior vice president, marketing, Parfums Ricci, the brand's low profile will soon be a thing of the past. "In this tough market, instead of retreating, we're aggressively moving forward," she says. One important weapon in the battle is advertising: In 1986, the company had agency BBDO spend "the largest advertising budget in the brand's existence" — $4.6 million for the second half of 1986 alone, with minimal spending in the first half.



This is L'air's first step into product, rather than image, ads.

Other changes attest to a more aggressive marketing tenor. "In the last four years," notes Kotlikoff, "we've repackaged both bottles and cartons, improved our promotional presentation at the counter, added line extensions and held in-store clinics."

The ad campaign is 35% print, 65% tv, with tv "in the top 21 markets." Print runs in a combination of 20 regional books, including *Philadelphia* and *Chicago*, and national fashion books such as *Elle*, *Vogue*, *Mademoiselle*, *Glamour* and *Harper's Bazaar*. For the print campaign, there are two kinds of creative, says Kotlikoff: a spread of Christmas merchandise, tagged to stores with an 800 number, and single pages with an eight-page catalog insert of Christmas items. According to Kotlikoff, "This Christmas is the first time we've done product advertising," taking advantage of the "gift-giving aspect, very important to our brand. We'll see how it works. But we haven't moved away from our romantic positioning, and we'll definitely

L'air du Temps is changing its packaging, upping its ad budget and improving its in-store presence.

COMMAND POST.

Leading corporate executives worldwide take charge more effectively because they take HBR more seriously than any other business publication. Another reason why top executives . . .

REACH FOR THE REVIEW.

Harvard Business Review

New York (212) 972-0740
Boston (617) 495-6182

Vanderbilt is a dual-distribution brand and has developed separate promotional and merchandising strategies for its outlets.

do more image advertising, which has built our business."

Among all the brands mentioned, L'air is unique in being a dual-distribution brand with prestige price points ($21.50 for 1.7 ounces of eau de toilette, $125 for an ounce of perfume). The scent is sold in fine department stores as well as drugstore chains and mass stores such as Penney's.

VANDERBILT

Vanderbilt, distributed by Cosmair, is also uniquely a dual-distribution brand, but with a markedly different thrust and price tag than L'air's. Vanderbilt, with more-moderate price points ($13.50 for an ounce of eau de toilette, $60 for a half ounce of perfume), has its distribution skewed toward chain drug and mass outlets, with about 20% of its distribution in department stores such as Macy's, A&S, Marshall Field and The Broadway, according to Mike Eiger, vice president of marketing for Cosmair's retail fragrance division. Because of the differences between mass, often self-service chains and department stores, the company has to develop different promotional and merchandising strategies for each. "In a way, it's like doing two different brands," notes Eiger. For example, in a department store, the company can do a G-W-P with an umbrella given away by a salesperson; in self-service chain drugstores, the gift must be something that can be affixed to the package, such as a smaller version of the perfume. Merchandising displays must also be tailored to the outlet.

Vanderbilt will spend 90% of its ad dollars in television on ads that rely on the name and the swan logo for recognition.

Eiger claims the brand has been "the number-one spender on straight advertising since our launch in 1982," a fact which holds true at least for 1985; Vanderbilt's LNA figure of $6.3 million is higher than any other individual brand's total.

Vanderbilt's campaign is 90% tv and 10% print. The creative, which "focuses on the prestige of the Vanderbilt name, and the recognizable symbol of the swan," has remained essentially the same for years. However, Eiger notes that Vanderbilt and its agency, Geers Gross, have a new secret weapon in their ad arsenal; he declined to detail specifics, but there's a good chance the weapon may have some-

LEADER READER.

HBR is a unique publication, written and edited for decision makers worldwide. Another reason why top executives . . .

REACH FOR THE REVIEW.

Harvard Business Review

New York (212) 972-0740
Boston (617) 495-6182

thing to do with the brand's media mix.

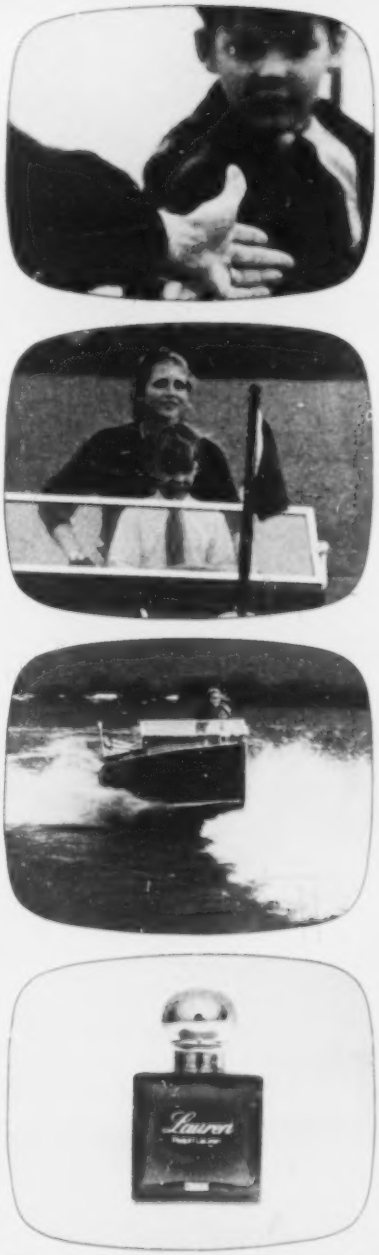
CHANEL NO. 5

How do you keep a true classic like Chanel No. 5 going strong? By "addressing our customer in modern terms without changing our basic strategy," according to Chanel president Kitty D'Alessio. "With the word classic, you're talking about the best of what is right in the world, communicated through our presentation, our graphics."

"Our logo in all of our ads is always recognizable, with the typeface always the same, to get the halo effect of the Chanel name." This extends the No. 5 allure to all the company's brand lines — color, treatment and fragrance — says Arie Kopelman, vice chairman/CEO, Chanel Inc. The breakdown of Chanel's ad budget also shows a clear striving for the "halo effect": LNA reports less than a million ($899,600) is budgeted to Chanel No. 5 individually, while a much larger percentage of total ad expenditures ($4.2 million) goes under the catch-all umbrella of Chanel fragrances for women, and $213,300 toward ads which feature two brands: both Chanel No. 5 and Chanel No. 19. Chanel's in-house ad strategy has strong product ads, both spreads and single pages — "not a nine-act play, not too many words," according to Kopelman. But the company perhaps took its cue from the sexy Obsession ads when it began running an ad for Chanel No. 5 bath powder which featured a woman's nude body in shadow, with the breast prominent in outline.

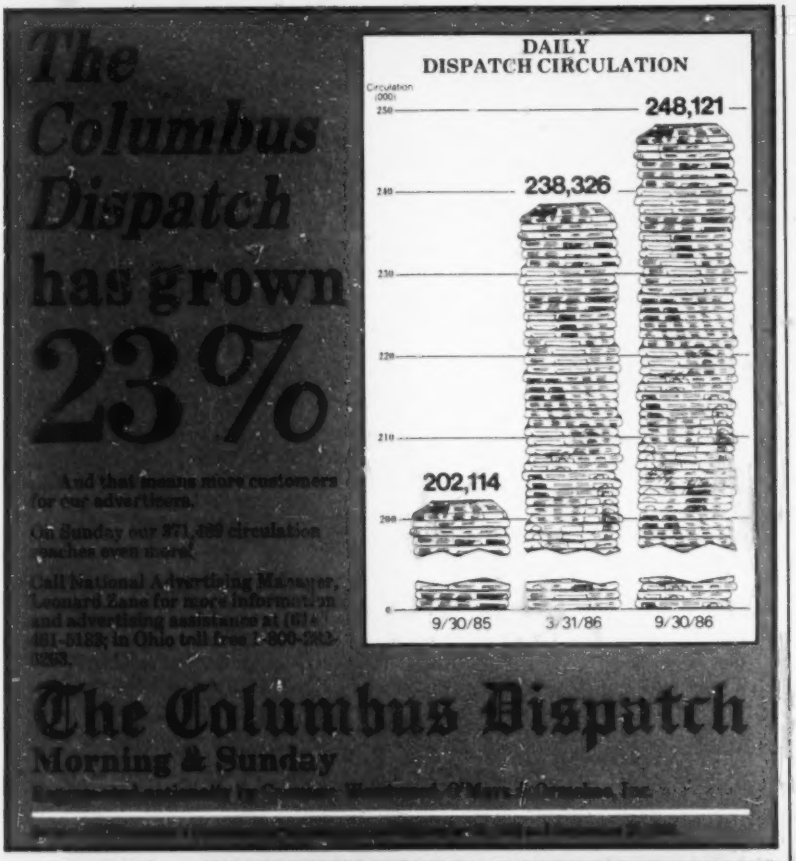
The current print campaign is in "all fine women's books," says Kopelman, including *Vogue*, *Harper's Bazaar* and *Elle*, as well as *Architectural Digest*, *Time* and *The New Yorker*. For 1986, when an "all-time record of advertising dollars" will be spent, according to Kopelman, there will be lots of weight in tv. "Broad national tv coverage" will include a schedule of early fringe and prime, network and spot commercials.

Chanel's strategy was different from many fine fragrance houses on two accounts. The first difference: The company has never gotten into the promotional giveaway game. According to D'Alessio, "It's been difficult



Geers Gross has been shifting ad dollars for Lauren from print to tv.

to stick to this policy, but we've done it. Otherwise, you can reduce fragrances to a commodity business." The other difference is in distribution. For a long time, Chanel was, like L'air du Temps, a prestige line (with pricey tags that include $23.50 for two ounces of eau de toilette, and $165 for one ounce of perfume) with dual distribution in both class and mass outlets. But, says Kopelman, "We've cut back distribution, though we're still in some mass stores where we've liked their presentation, such as J.C. Penney."



PUT HELP RIGHT AT HER FINGERTIPS.
START A McGRUFF HOUSE IN YOUR NEIGHBORHOOD.
Knock, knock. Who's there? A very scared child, and it's no joke. She saw McGruff's picture in the window and she came for help.
At a McGruff House she'll find neighbors who care. They're carefully screened volunteers specially trained to help children in an emergency. Start a McGruff House Program in your neighborhood. It's just one of the ways you can get more actively involved in protecting and helping kids. For more information, write to me, McGruff the Crime Dog at this address. The National Crime Prevention Council, 733 15th Street NW, Dept. M, Washington, D.C. 20005. There are lots of ways you can help.
McGRUFF HOUSE
TAKE A BITE OUT OF CRIME
Ad

LAUREN

Designer scent Lauren, marketed by Cosmair, is another brand fine-tuning its positioning and advertising. Until last year, says Barbara Gyde, vice president, marketing, of Cosmair's women's fragrances, the advertising was "always reflective of Ralph Lauren's current fashion statement, usually featuring a model staring off into the distance, very pretty, but superficial and untouchable. Then last year, we featured an ad of a female model with a male child." In this ad, Lauren, which traditionally had an image of a "Yuppie brand," went from Yuppie to Yummy (Young urban mommy), which Gyde says "ties in with today's psychographics — baby boomers having kids, an emphasis on the next step in life."

Not only the creative, but the media mix has shifted as well. The brand's strategists at Cosmair and at agency Geers Gross have been moving "fairly high amounts of dollars out of print into tv." Why? "Print is necessary for image building, but we're an established brand; we already have awareness. Tv is much more action-oriented, especially since we do tv tied to our promos, with a retail tag at the end."

Specific tv buying guidelines, according to Gyde, are one-third early fringe, one-third prime, one-third late fringe. In prime time, the choices are usually "quality sitcoms and serials"; in late fringe, "quality shows such as *M*A*S*H*. For print, the guidelines are to "look at where the Lauren fashion ads go" — generally *The New York Times Magazine*, *W*, *Glamour*, *Vogue* and *Cosmopolitan*. ■

Lauren has shifted from a yuppie image to a "yummy" one. Ads now feature a new target: the young urban mommy.

ECONOMIC EYE

CATCHING UP WITH THE COST INDEX

After a brief hiatus, our long-running monthly Media Cost Index returns. Because of reporting differences, all data do not run through September. Spot radio and tv are reported quarterly, while the remaining broadcast media run one month behind our print entries.

MAGAZINE AD SCORECARD	Ad Pages Oct. 1986	% change from Oct. 1985	Dollars spent (000)	% change from Oct. 1985
1. Skin care, Creams, Lotions and Oils	194.23	+3.23%	$ 5,987.0	+25.22%
2. Lip and Eye Beauty Products	121.36	+20.50	3,971.2	+24.21
3. Scents and Fragrances	218.62	−17.62	6,013.5	−2.44
4. Facial Makeup Products	102.25	+30.52	3,827.8	+43.35
5. Prepared Dinners and Entrees (including Pizza)	74.92	+26.70	4,458.4	+65.72
6. Liquor	411.19	−5.00	16,431.9	+3.03
7. Cigarettes	611.88	−30.90	31,406.6	−29.59
8. Soaps and Detergents	61.04	+66.10	3,892.8	+55.07
9. Passenger Cars, Domestic	407.43	+42.84	21,667.3	+49.29
10. Passenger Cars, Imported	278.05	+31.39	14,696.3	+32.40

Source: Publishers Information Bureau as prepared by Leading National Advertisers

MEDIA COST INDEX

Medium	Jan.	% change	Feb.	% change	Mar.	% change	Apr.	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change
Network TV																		
Daytime	210	+1	181	−5	182	−4	200	−0	219	−0	204	−0	209	+2	207	−0	–	–
Nighttime	230	+6†	215	−2	214	+4	231	−8	257	+3	225	+9	243	+7	225	+8	–	–
Spot TV (1984=100)																		
Prime time	128	+20	104	+19	125	+16	123	+16	123	+20	122	+20	–	–	–	–	–	–
Daytime	124	+24	109	+9	110	+9	107	+5	108	+9	111	+5	–	–	–	–	–	–
Network radio (1985=100)	122	+22	116	+16	113	+13	112	+12	113	+13	114	+14	104	+4	105	+5	–	–
Spot radio	←		246	+0	—		—		250	−0	—		—		—		—	→
Consumer magazines	205	+6	207	+6	207	+6	207	+6	207	+6	207	+6	207	+5	207	+5	208	+6
Natl. Sunday mags	226	−7	226	−7	225	−7	225	−7	224	−7	232	−4	232	−4	232**	+5	229	+5
Business publications	190†	+7	190†	+7	190†	+7	190	+7	190	+7	190	+7	190	+7	190	+7	191	+6
Daily newspapers (1980=100)	155†	+7	155†	+8	155	+8	156	+8	156	+8	156	+8	158	+8	159	+8	160	+8
Outdoor	227	+5	227	+5	231	+7	231	+7	231	+7	231	+7	231	+7	231	+7	236	+11

Notes: * Percentage shown is relative change from the same month the year before. ** *Family Weekly* changed to *USA Weekend*.
† Revised from earlier presentation—Business publications from 189 to 190; newspapers from 158 to 155. 1977=100 except where noted.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.